enverro

Appendix 4E – Preliminary Final Report

Name of Entity:	Enverro Ltd
ABN:	82 009 027 178
Reporting Period - year ended:	30 June 2015
Previous corresponding period – period ended	30 June 2014

Results for Announcement to the Market

	Percentage change Up or Down	%		$'000
Revenue from ordinary activities	up	7%	to	1,111
(Loss) from ordinary activities after tax attributable to members	up	350%	to	(3,715)
(Loss) for the period attributable to members	up	350%	to	(3,715)

Dividends	**Amount per Security**	**Franked amount per security**
Interim Dividend – Current reporting period	Nil	Nil
Final Dividend – Current reporting period	Nil	Nil
Record date for determining entitlements to dividends (if any)	Not applicable	
Date Dividend is payable	Not applicable	
Details of any dividend reinvestment plan in operation	Not applicable	
The last date for receipt of an election notice for participation in any dividend reinvestment plan	Not applicable	

Net Tangible Assets (NTA)	**June 2015**	**June 2014**
Net Tangible Assets per security	15.3 Cents	1.0 Cents *

*Prior to consolidation of shares

Brief explanation of any figures reported above necessary to enable the figures to be understood

1 - The loss for the year was significantly impacted by an impairment write-down of intangible software development of $1,079,798

2- The Net Tangible assets per security at 30 June 2014 would have been (negative) (33.8) cents per share had the consolidation of shares, which occurred on 26 September 2014, taken place at 30 June 2014.

3 – Earnings (loss) per share in the year ended 30 June 2015 of (51.8) cents is calculated on 7,175,339 average number of ordinary shares during the year. The prior year earnings of (1.2) cents per share was calculated on 68,792,557 shares prior to a share consolidation on 1:33.33 basis which took place on 26 September 2014. Had the consolidation of shares taken place at 30 June 2014 the earnings per share for the prior year would have been (34.6) cents per share.

Commentary on Results

Refer attached annual report

Dividends

No dividends were paid or declared during the period ending 30 June 2015

Compliance Statement

This report is based on the financial report that has been audited by our external auditors.

Leigh Kelson
C.E.O. Date: 17 August 2015

ENVERRO LIMITED

(FORMERLY PRM CLOUD SOLUTIONS LTD)

ABN 82 009 027 178

Annual Report
For the year ended 30 June 2015

CONTENTS

Chief executive officer's report

Enverro workforce mobilisation platform

It has been a year of significant challenges for the company. During the latter part of 2014 we established our U.S. operation in Austin, Texas close to the oil and gas hub in Houston U.S.A.

After listing on December 5th 2014, further development and marketing of the Enverro product in the U.S. Market began in earnest. Unfortunately, a significant drop in the global Oil price and in commodity prices saw the resources sector enter a significant downturn.

The Enverro workforce mobilisation platform has been extremely well received as it delivers considerable efficiencies and streamlines the verification and mobilisation process on large LNG and capital works projects.

However, the falling oil price and related uncertainty in the sector saw many projects deferred and budgets reduced. That had a huge impact on the pipeline of anticipated Software subscriptions and implementations. Our initial market validation confirms the real potential for the product, and the company will continue to monitor the economic conditions affecting the sector for signs of recovery and market opportunities for the Enverro product.

After due consideration, the company made the decision to suspend the U.S. Development and Marketing operations and in May this year consolidated operations into the Australian services business.

Services business

Our wholly owned subsidiary, PRM Cloud Solutions Pty Ltd, has continued to enhance its brand and position as a premier boutique cloud services company. The cloud services consulting business has provided consistent revenues and delivers cloud technology and consulting services to a portfolio of well-known and respected Australian clients, including our Enverro product customers.

Seeking new opportunities

The company has continued to investigate new opportunities in order to provide diversity in our cloud and mobile technology offering, more specifically, to minimise exposure to the difficult economic conditions and current downturn cycle of the resources sector, in order to mitigate risk and deliver value for shareholders.

Outlook for 2016

Enverro Ltd has entered into a heads of agreement to acquire Datetix Limited a cloud mobile dating application company, based in Hong Kong, with a focus on the Chinese and Asian markets. Due diligence and regulatory processes are currently being undertaken to progress the acquisition and the Board is excited by the potential of this acquisition to deliver significant value to shareholders.

Leigh Kelson
C.E.O.

Directors' report

The directors present their report on the consolidated entity consisting of Enverro Ltd, a public, limited liability company incorporated and domiciled in Australia, and the entities it controlled at the end of, or during, the year ended 30 June 2015.

Directors

The following persons were directors of Enverro Ltd during the whole of the year and up to the date of this report:

Leigh Kelson

Christopher Doran

John Nicholson (resigned 3 September 2014)

Anthony Harris (appointed 6 September 2014)

Principal activities

The principal continuing activities of the Group during the year were:

- Provision of software solutions, including design, implementation and support; and
- Development of proprietary software applications.

Dividends

No dividends were paid during the year and no recommendation is made as to the payment of dividends (2014 – nil).

Review of operations and financial position

The Group's financial results for the year ended 30 June 2015 are set out in the financial statements following page 22 of this report.

The Company incorporated three subsidiaries since 30 June 2014 as part of a restructuring prior to listing on Australian Securities Exchange on 5 December 2014 and increasing the Group's focus on further development and marketing of its Enverro TM workforce management software application throughout Asia Pacific and North America. The subsidiaries include;

- Enverro Inc, a wholly beneficially owned subsidiary incorporated in Delaware USA
- Enverro Asia Pacific Pty Ltd, a wholly owned subsidiary incorporated in Australia
- PRM Cloud Solutions Pty Ltd, a wholly owned subsidiary incorporated in Australia

During the year the Company raised $2,000,000 cash, before costs, through the issue of 80,000,000 fully paid ordinary shares at $0.25 which, along with the 81,650,000 pre-existing shares, were consolidated at 1:33.33 on 26 September 2014.

The Company raised a further $4,000,000 cash, before costs, through the issue of 4,000,000 fully paid ordinary shares on 28 November 2014 and listed on the Australian Securities Exchange on 5 December 2014

Share issue costs for the full-year totalled $950,039 including the assessed fair value of $322,973 for options issued as part of an equity raising fee.

As a result of the raisings, borrowings were repaid and the Group's only borrowings at 30 June 2015 consist of a vehicle lease of $23,513.

Review of operations and financial position (Continued)

The Group executed additional contracts with clients to access the Group's cloud based workforce management software products as well as providing implementation and training support services through the services division.

Significant results for the year ended 30 June 2015 include:

	2015 $	2014 $
Revenues	1,111,463	1,034,237
Net (loss) before tax	(3,714,873)	(824,681)

The loss for the year includes an impairment write down of intangible software development of $1,079,798 (2014: $nil).

Significant changes in the state of affairs

As a result of the capital raisings and debt repayments referred to above, less the loss for the year, the net asset position of the Group at 30 June 2015 was $1,508,903 (2014: deficit of $209,293).

The net effect of new issues and consolidation of shares over the year decreased the number of shares on issue from 81,650,000 to 9,004,546. Details of the changes in contributed equity are disclosed in note 16 to the financial statements.

On 19 May 2015 the Company announced to the ASX that, due to difficult market conditions in the primary target market sectors for the Enverro workforce management cloud-based platform product, it would contract operations in respect of that product. The USA based product development and sales operation ceased and responsibility for servicing existing customers was assumed by its Australian based professional services business. The contraction was undertaken to reduce expenditure on development and marketing of the product.

The Company also advised that it intended to explore other business opportunities where it believes those opportunities are in the best interest of its shareholders.

On 9 June 2015 the Company announced that it had signed a binding Heads of Agreement with DateTix Limited ("DateTix") and DateTix shareholders to acquire DateTix ("Proposed Acquisition"). Founded in 2013 and based in Hong Kong, DateTix is a mobile and cloud-based marketplace for people to host, discover, and go on real life dates. The Proposed Acquisition will be conducted by way of the exercise of an option by Enverro to acquire all the shares on issue in DateTix, subject to the satisfaction of certain conditions.

If Enverro proceeds with the Proposed Acquisition, the shareholders of DateTix will be issued with the following securities as consideration for all the issued shares in DateTix:

- 12,500,000 fully paid ordinary shares at a deemed issue price of $0.40 per share;
- 4,000,000 class A performance rights that convert into fully paid ordinary shares in Enverro, on a one for one basis, in the event that within 24 months of settlement of the acquisition certain Performance Events are satisfied;
- 4,000,000 class B performance rights that convert into fully paid ordinary shares in Enverro, on a one for one basis, in the event that within 24 months of settlement of the acquisition certain Performance Events are satisfied; and
- 4,000,000 class C performance rights that convert into fully paid ordinary shares in Enverro, on a one for one basis, in the event that within 36 months certain Performance Events are satisfied.

The Performance Events which trigger the issue of Enverro ordinary shares are to be approved by the parties in consultation with ASX as soon as practicable.

Significant changes in the state of affairs (Continued)

Under the terms of the Heads of Agreement, after settlement Enverro will appoint up to three directors nominated by DateTix to the board of Enverro and grant the following options to employees and to a director to be appointed to the Board of Enverro:

- 1,500,000 employee options with an exercise price of $0.40, vesting in four equal tranches of 25% each 12, 24, 36 and 48 months after the date of grant and expiring 31 December 2020
- 100,000 director options with an exercise price of $0.40 and expiring 31 December 2020.

Enverro currently has 9,004,546 fully paid ordinary shares on issue which would increase to 21,504,546 upon completion of the Proposed Acquisition. The number of performance rights would increase from zero to 12,000,000 and the number of options on issue (with various exercise prices and conditions) would increase from 1,395,504 to 3,142,004.

Completion of the Proposed Acquisition is subject to the satisfaction or waiver of a number of conditions including:

- Enverro completing due diligence on DateTix;
- Enverro obtaining all necessary shareholder and regulatory approvals;
- the parties approving the terms, conditions and structure of the performance rights in consultation with ASX;
- to the extent required by ASX or the ASX Listing Rules, each DateTix shareholder entering into a restriction agreement in relation to the shares and performance rights issued to them; and
- any required ASX and shareholder approvals being obtained to allow the Proposed Acquisition to proceed.

The acquisition is designed to enhance shareholder value by diversifying revenue streams for the Group through a product for individual consumers whereas the existing workforce management platform is marketed to enterprises in the oil, gas, mining and construction sectors.

The likely impact of the acquisition will be further detailed in an Independent Experts Report commissioned to assist shareholders in their consideration of whether to approve the acquisition at a general meeting to be called for that purpose.

Matters subsequent to the end of the financial year

On 17 August 2015 the Company announced that it would undertake a capital raising of up to $2,500,000 by the issue of up to 6,250,000 fully paid ordinary shares at an issue price of $0.40 per share via a prospectus. The issue is not underwritten and the minimum subscription is $2,000,000 (5,000,000 shares).

Except for the matter discussed above, no other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect:

(a) the Group's operations in future financial years, or
(b) the results of those operations in future financial years, or
(c) the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Likely developments in the operations of the Group are:

- The acquisition of DateTix Limited of Hong Kong, subject to completion of due diligence and receipt of an Independent Expert's Report. The Group will invest the bulk of the $2,000,000 (before costs) from the proposed issue of 5,000,000 shares to develop and market the dating application business conducted by DateTix.

- Maintenance of existing customers using the Group's Enverro workforce management platform and development of new users when market conditions improve for projects within the target oil, gas, mining and construction sectors.

Likely developments and expected results of operations (continued)

- Continuation of the professional services business providing cloud based consulting services, particularly in relation to Salesforce customer relationship management platform as well as supporting existing users of the which is hosted on Salesforce.

Environmental regulation

The Group's operations are not regulated by any significant environmental regulation under a law of the Australian Commonwealth or of any jurisdiction where it intends to operate.

Information on directors

Anthony (Tony) Harris– *Independent Non-executive Chairman.*

Experience and expertise

Tony was appointed a director on 6 September 2014. He is an owner and Director at Blink Mobile Interactive, a cloud based Mobile Enterprise Applications Platform provider. Tony has extensive experience at managing and growing computer software companies, he has held senior positions with Tibco software, Retriever communications and with SAP including CEO ANZ.

Other current directorships None.

Former directorships in last 3 years None.

Special responsibilities Chairman of the Board.

Leigh Kelson – *CEO and founder.*

Experience and expertise

Leigh Kelson was appointed as CEO in 1997. He is a web technologies veteran and Australian cloud computing pioneer. After commencing his career in the technology sector in the mid 1980s, Mr Kelson founded Enverro Ltd in 1996 and pioneered cloud computing in Australia by establishing the first Salesforce.com professional services practice in Melbourne, which is now one of the longest serving Salesforce.com partners in Australia.

Other current directorships None.

Former directorships in last 3 years None.

Special responsibilities Chief Executive Officer.

Christopher Doran - *Chief Operating Officer.*

Experience and expertise

Christopher Doran was appointed as an executive director on 23 August 2013. Mr Doran is a marketing executive with a background in engineering, a deep knowledge of Cloud technology, and a track record of leading revenue growth through high impact marketing programs at companies including Salesforce.com, Manticore Technology, and AMD. He is recognised as a thought leader and expert in demand generation, digital marketing technology and utilising social media to drive new business. Mr Doran is skilled at developing aggressive and effective marketing programs with lean teams and small budgets within both start-up firms and Fortune 1000 companies.

Other current directorships None.

Former directorships in last 3 years None.

Special responsibilities Chief Operating Officer

Information on directors (continued)

John Nicholson FCA – ***Non-executive director (resigned 3 September 2014)***

Experience and expertise

John Nicholson was a non-executive director from 23 August 2013 until his resignation on 3 September 2014. John co-founded a successful accounting practice in Perth, employing 50 people which was sold to an antecedent firm of Ernst and Young. He also founded what was to become a leading Financial Services business; Sealcorp, which is now owned by Westpac. More recently John co-founded an internet based continuing education source for fitness professionals and health clubs which was an early entrant in the cloud computing space and dominated this niche sector.

Other current directorships None.

Former directorships in last 3 years None.

Special responsibilities None

Company secretary

Mr Garry Edwards MBA, FIPA, FAICD, ACSA, is the Company Secretary and the Chief Financial Officer of the Company (appointed 4 August 2014). He has served as Company Secretary and as Chief Financial Officer of several ASX listed companies over the past 18 years.

Meetings of directors

The numbers of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2015, and the numbers of meetings attended by each director were:

	Full Board		**Audit Committee**	
	Attended	Held	Attended	Held
Anthony Harris	14	14	1	1
Leigh Kelson	17	17	1	1
Christopher Doran	17	17	1	1
John Nicholson	1	2	0	0

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee

Remuneration report - Audited

The directors present the Enverro Ltd Group 2015 remuneration report, outlining key aspects of remuneration policy and framework, and remuneration awarded this year. The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

The report is structured as follows:

- Key Management Personnel (KMP) covered in this report
- Remuneration policy and link to Group performance
- Use of remuneration consultants
- Non-executive director remuneration policy
- Executive remuneration and benefits
- Details of remuneration
- Service agreements
- Details of share-based compensation
- Equity instruments held by Key Management Personnel
- Loans to Key Management Personnel

Key Management Personnel disclosed in this report

Non-executive directors	A Harris – Chairman
	J Nicholson (resigned 3 September 2014)
Executive directors	L Kelson – Chief Executive Officer
	C Doran – Chief Operating Officer
Other key management personnel	G Edwards – Chief Financial Officer and Company Secretary

Changes since the end of the reporting period: NIL

Remuneration policy and link to Group performance

The Board's policy for determining the nature and amount of remuneration of key management personnel of the Company and the Group is designed to;

- Maintain the ability to attract and retain senior executives and directors;
- Avoid paying excessive remuneration;
- Remunerate fairly having regard to market conditions and individual contribution; and
- Align the interests of employees and directors with that of the Company and the Group as much as possible.

Since the Company listed on the Australian Securities Exchange on 5 December 2014, the primary focus of the Group has been;

- Establishing a team of development and marketing personnel in Austin Texas USA
- Marketing of the Enverro workforce management platform
- Developing additional functionality of the Enverro product
- Continuing to provide consulting services to new and existing customers

The Company's share price on listing was $1.00 per share, which equated to a market capitalisation of $9,004,456. At 30 June 2015 the share price was $0.45, a market capitalisation of $4,052,045. Remuneration to date has not been dependent upon performance conditions other than the share price.

The Company operates an Employee Incentive Plan. Under the plan, shares were provided to the CEO under a limited recourse loan and options granted to the COO and other employees. All share-based remuneration is dependent upon the Company's share price exceeding $1.00 before any cash benefit can be derived by share and option holders under the Plan.

Use of remuneration consultants

The Group did not engage any remuneration consultants during the year.

Non-executive Director remuneration policy

Non-executive directors' fees and payments reflect the demands made on, and the responsibilities of, the non-executive directors. The fees are determined within a pool limit, which is periodically reviewed and proposed changes recommended for approval by shareholders. The pool is currently limited to $300,000 per annum. Non–executive directors do not receive performance–based pay. There are no retirement allowances for non-executive directors. No additional fees are payable to non-executive directors.

The following base fees, exclusive of superannuation contributions required under the Australian superannuation guarantee legislation have applied since listing.

	From listing on 5 December 2014
Chairman	$60,000pa
Non-executive director - nil	n/a

Executive remuneration and benefits

Executive payments currently consist of base salary plus statutory superannuation, other benefits and the provision of a loan to acquire shares or the issue of options under the Employee Incentive Plan. Base pay is structured as a total employment package which may be delivered as a combination of prescribed non-financial benefits at the executives' discretion. There are no guaranteed base pay increases in any executives' contracts.

Throughout the year all remuneration for key management personnel was fixed and not linked to performance except for shares and options issued under the employee incentive plan which depend on the Company's share price exceeding $1.00 per share to deliver any cash benefits to the holders.

Details of remuneration

2015

	Short term benefits			Post-employment benefits		
Name	**Cash Salary, consultancy and fees $**	**Other $**	**Share based payments $**	**Super-annuation $**	**Termination Benefits $**	**Total $**
Non-executive directors						
A Harris	48,135	-	-	4,573	-	52,708
J Nicholson	-	-	-	-	-	-
Executive directors						
L Kelson	253,438	19,875	50,939	24,077	-	348,329
C Doran	201,208	2,575	7,442	-	-	211,225
Other key management personnel						
G Edwards	133,449	-	1,719	12,678		147,846
Total	**636,230**	**22,450**	**60,100**	**41,328**	**-**	**760,108**

2014

	Short term benefits			Post-employment benefits		
Name	**Cash Salary, consultancy and fees $**	**Other $**	**Share based payments $**	**Super-annuation $**	**Termination Benefits $**	**Total $**
Non-executive directors						
J Nicholson	-	-	-	-	-	-
Executive directors						
L Kelson	133,081	33,933	-	12,310	-	179,324
C Doran	76,710	-	-	-	-	76,710
C Gollan	87,750	33,933	-	8,109	-	129,792
Total	**297,541**	**67,866**	**-**	**20,419**	**-**	**385,826**

Service agreements

On appointment to the Board, all non-executive directors sign a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of director.

Remuneration and other terms of engagement for the Chief Executive Oficer, Chief Operating Officer and Chief Financial Officer are also formalised in service agreements which include provision for participation in the Employee Incentive Plan. Contracts with these executives may be terminated by either party with six months' notice.

Name	Term of agreement	Base salary including any superannuation	Other benefits
L Kelson, *Chief Executive Officer*	Ongoing, commenced 1 July 2014.	$273,750 reviewed annually	Fully maintained vehicle, mobile phone costs.
C Doran , *Chief Operating Officer*	Ongoing, commenced 1 September 2014. Previously contractor.	$229,000 (USD 170,000)	Participation in Group health insurance plan (USA)
G Edwards, *Chief Financial Officer*	Ongoing, commenced 4 August 2014	$175,200	Professional association memberships

Details of share based compensation

2015							
Name	Grant date	Granted		Exercised		Forfeited	
		Number	Value	Number	Value	Number	Value
Shares issued subject to repayment of interest free loan, with recourse limited to the shares issued							
L Kelson	11 Nov 2014	155,000	104,061	n/a	n/a	n/a	n/a
Long term options							
C Doran	13 Oct 2014	136,500	$17,571	Nil	Nil	Nil	Nil
G Edwards	10 Nov 2014	39,000	$4,598	Nil	Nil	Nil	Nil

Terms and conditions of share based compensation

Grant date	Vesting date	Expiry date	Exercise price	Value per security at grant date	Hurdle to be achieved	% vested
Shares issued subject to repayment of interest free loan, with recourse limited to the shares issued						
11 Nov 2014	11 Nov 2014	Loan term ends 11 Nov 2021 or earlier if employment ceases	Repayment of $1 per share	$0.329	No hurdle specified, however the share price needs to exceed $1.00 per share to deliver a benefit from repaying the loan of $1.00 per share.	100%
Long term options						
13 Oct 2014	13 Oct 2015	13 Oct 2019	$1.00	$0.136	Share price of $1.25	n/a
	13 Oct 2016	13 Oct 2019	$1.00	$0.129	Share price of $1.50	n/a
	13 Oct 2017	13 Oct 2019	$1.00	$0.123	Share price of $1.75	n/a
10 Nov 2014	10 Nov 2015	10 Nov 2019	$1.00	$0.121	Share price of $1.25	n/a
	10 Nov 2016	10 Nov 2019	$1.00	$0.119	Share price of $1.50	n/a
	10 Nov 2017	10 Nov 2019	$1.00	$0.115	Share price of $1.75	n/a

Equity instruments held by Key Management Personnel

The number of shares and options in the Company held during the financial year by each Director of the Company and other Key Management Personnel of the Group, including their associates, are set out below. There were no shares issued during the year as compensation, other than the shares issued subject to the repayment of a loan as detailed in Loans to Key management Personnel below.

2015		Balance at the start of the year **	Shares subject to loan repayment and Options Granted as compensation	Received during the year on exercise of options	Other changes during the year	Balance at the end of the year
Directors of Enverro Ltd						
J Nicholson *	Shares	536,863	-	-	-	536,863
	Options	-	-	-	-	-
A Harris	Shares	-			2,000	2,000
	Options	-			-	-
L Kelson	Shares	853,129	155,000	-		1,008,129
	Options	-	-	-	-	-
C Doran	Shares	-	-	-	2,000	2,000
	Options	-	136,500	-	-	136,500
Other Key Management Personnel of the Group						
G Edwards	Shares	-	-	-	4,000	4,000
	Options	-	39,000	-	-	39,000

* Resigned 3 September 2014
**Numbers have been adjusted to reflect the consolidation of shares which took place on 10 November 2014 on a 1:33.33 basis.

Loans to Key Management Personnel

Pursuant to shareholder approval, the Company advanced $155,000 to Director and CEO Leigh Kelson to acquire 155,000 shares in the Company on 11 November 2014.The loan is for seven years or less if the CEO ceases employment with the Company. It is interest free and recourse is limited to the amount which the Company may recover by selling the shares and any share benefits or, in the absolute discretion of the Company, exercising its rights to have the shares and any share benefits forfeited. The loan for shares arrangement has been treated as a Share based payment and is reflected in the Share based payments reserve and an amount of $50,939 has been included in share based payments expense within employee benefits expense.

END OF AUDITED REMUNERATION REPORT

Shares under option

Ordinary shares of the Company under option at the date of this report are as follows: (2014: Nil).

Date options granted	Expiry date	Escrowed until	Issue price of shares	Number under option
18 July 2014	18 July 2019	28 Nov 2016	$0.84	1,200,004
13 Oct 2014	13 Oct 2019	5 Dec 2016	$1.00	136,500
10 Nov 2014	10 Nov 2019	-	$1.00	59,000

Insurance of officers and auditors

During the financial year the Company paid a premium in respect of a contract insuring directors, secretaries and executive officers of the Company and its controlled entities against any liability incurred as director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or any of its controlled entity against a liability incurred as such an officer or auditor.

Proceedings on behalf of the Company

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important. During the year, Moore Stephens Sydney, the Group's auditor, did not perform any other non-assurance services in addition to their statutory duties to the Group.

Moore Stephens Sydney Pty Limited and Moore Stephens Sydney Corporate Finance Pty Limited, both of which are related parties of the Group's auditor, performed taxation services and financial due diligence services for the Group. Details of the amounts paid to the auditors and their related parties are disclosed in Note 19 to the financial statements.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 14.

This report is made in accordance with a resolution of directors.

Leigh Kelson
Managing Director
Biggera Waters
17 August 2015

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Auditor's Independence Declaration
to the Directors of Enverro Limited

As lead auditor for the audit of Enverro Limited and its Controlled Entities for the year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been:

a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Enverro Limited and its Controlled Entities during the period.

Moore Stephens Sydney

Moore Stephens Sydney

SWhiddett

Scott Whiddett
Partner

Dated in Sydney this 17th day of August 2015.

Corporate governance statement

Introduction

Enverro and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to review the framework and practices to ensure they meet the interests of Shareholders. Enverro and its controlled entities together are referred to as the Group in this statement.

The Directors monitor the business affairs of Enverro on behalf of Shareholders and have adopted this Corporate Governance Statement to encourage Directors to focus their attention on accountability, risk management and ethical conduct. A description of the Group's main corporate governance practices is set out below. All these practices, unless otherwise stated, were in place from the date of admission to the ASX on 28 November 2014 and were current as at 30 June 2015.

Responsibility

The Board is responsible for the corporate governance of Enverro. The Board develops strategies for the Group, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance process are to:

- maintain and increase Shareholder value;
- ensure a prudential and ethical basis for the Group's conduct and activities; and
- ensure compliance with the Group's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- developing initiatives for profit and asset growth;
- reviewing the corporate, commercial and financial performance of the Group on a regular basis;
- acting on behalf of, and being accountable to, the Shareholders; and
- identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

Enverro is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully informed basis.

References to principles in this statement are to those contained in the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations (3rd edition).

Principle 1: Lay solid foundations for management and oversight

The relationship between the Board and senior management is critical to the Group's long-term success. The directors are responsible to the Shareholders for the performance of the Group in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Group as a whole. Their focus is to enhance the interests of Shareholders and other key stakeholders and to ensure the Group is properly managed.

The responsibilities of the Board include:

providing strategic guidance to the Group including contributing to the development of and approving the corporate strategy;

reviewing and approving business plans, the annual budget and financial plans including available resources and major capital expenditure initiatives;

overseeing and monitoring:

- organisational performance and the achievement of the Group's strategic goals and objectives;
- compliance with Enverro's Corporate Code of Conduct; and
- progress of major capital expenditures and other significant corporate projects including any acquisitions or divestments;

monitoring financial performance including approval of the annual and half year financial reports and liaison with the Group's auditors;

appointment, performance assessment and, if necessary, removal of key executives;

ratifying the appointment and/or removal and contributing to the performance assessment for the members of the senior management team including the CFO and the Company Secretary;

ensuring there are effective management processes in place and approving major corporate initiatives;

enhancing and protecting the reputation of the organisation;

overseeing the operation of the Group's system for compliance and risk management reporting to Shareholders; and

ensuring appropriate resources are available to senior management.

The terms and conditions of the appointment and retirement of directors are set out in a letter of appointment.

Day to day management of the Group's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the Managing Director/CEO and senior executives. These delegations are reviewed on an annual basis.

Appointment of Directors

The Board is committed to undertaking appropriate checks before appointing a person or putting forward to shareholders a candidate for election as a director and to providing shareholders with all material information in its possession relevant to a decision on whether to elect or re-elect a director.

Written agreements with directors and executives

Each director and senior executive is provided with a written agreement setting out the terms of their appointment.

Company Secretary

The Company Secretary is directly accountable to the Chair on all matters to do with the proper function of the Board.

Diversity policy

Enverro values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Accordingly the Company has developed a Diversity Policy. This policy outlines diversity objectives in relation to gender, age, cultural background and ethnicity. It includes requirements for the Board to establish measurable objectives for achieving diversity, and for the board to assess annually both the objectives, and Enverro's progress in achieving them. The Board has not yet set measurable objectives for achieving diversity but expects to do so in the coming year.

The respective proportion of men and women across the organisation at 30 June 2015 was as follows:

	Number of women	% of women	Number of men	% of men
On the board	nil	n/a	3	100
Senior executives	nil	n/a	3	100
Whole organisation	4	33	8	67

Board Performance Assessment

The Board has developed an annual self-assessment process for its collective performance, the performance of the Chair and its committees. A questionnaire is completed by each director, evaluating his or her individual performance, that of other Board members and of the Board as a whole. The results and any action plans are documented together with specific performance goals which are to be agreed for the coming year. The assessment was undertaken in June 2015

Principle 2: Structure the board to add value

The Board operates in accordance with the broad principles set out below:

Nominations and Board composition

Due to the small size of the Board, being three members, nomination and remuneration matters are addressed by the Board. A set of guidelines has been established in this regard. The composition of the Board is reviewed in conjunction with the Board assessment process. The Board has not yet established a formal skills matrix, however, the Board will abide by the following principles:

- the Board is to be comprised of both executive and non-executive directors. Non-executive directors bring perspective to the Board's consideration of strategic, risk and performance matters and are best placed to exercise independent judgement and review and constructively challenge the performance of management;
- in recognition of the importance of independent views and the Board's role in supervising the activities of management, the Chair must be an independent non-executive director, and all directors are required to bring independent judgement to bear in their Board decision making;
- the Chair is elected by the full Board and is required to meet regularly with key executives;
- the Board is to establish measurable Board gender diversity objectives and assess annually the objectives and progress in achieving them;
- the Group is to maintain a mix of directors on the Board from different backgrounds with complementary skills and experience; and
- the Board is required to undertake an annual Board performance review and consider the appropriate mix of skills required by the Board to maximise its effectiveness and its contribution to the Group.
- The Board seeks to ensure that:
- at any point in time, its membership represents an appropriate balance between directors with experience and knowledge of the group and directors with an external or fresh perspective; and
- the size of the Board is conducive to effective discussion and efficient decision-making.

Board members

Details of the members of the Board, their experience, expertise, qualifications, term of office and independent status are set out in the directors' report under the heading "Information on directors".

Directors' Independence

The Board currently consists of two executive and one non-executive independent director who is the Chairman.

The Board has adopted specific principles in relation to directors' independence. These state that to be independent, a director must be a non-executive and:

not be a substantial Shareholder of the Group or an officer of, or otherwise associated directly with, a substantial Shareholder of the Group;

within the last three years, not have been employed in an executive capacity by Enverro or any other Group member, or been a director after ceasing to hold any such employment;

within the last three years not have been a principal of a material professional adviser or a material consultant to Enverro or any other Group member, or an employee materially associated with the service provided;

not be a material supplier or customer of Enverro or any other Group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;

must have no material contractual relationship with Enverro or a controlled entity other than as a director of the Group; and

be free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the directors' ability to act in the best interests of Enverro.

Materiality for these purposes is determined on both a quantitative and qualitative bases. An amount of over 5% of annual turnover of the Company or Group or 5% of the individual directors' net worth is considered material for these purposes.

In addition, a transaction of any amount or a relationship is deemed material if knowledge of it may impact the Shareholders' understanding of the directors performance.

Recent thinking on corporate governance has introduced the view that a directors' independence may be perceived to be impacted by lengthy service on the Board. To avoid any potential concerns, the Board has determined that a director will not be deemed independent if he or she has served on the Board for more than ten years.

Chairman

The Chairman is an independent director and is not the CEO.

Commitment

The number of meetings of the Board of directors and of each Board committee held each year, and the number of meetings attended by each director is disclosed in the Annual Report.

It is the Group's practice to allow executive directors to accept appointments outside the Group with approval of the Board. The commitments of non-executive directors are considered by the Board prior to the directors' appointment to the Board and are to be reviewed each year as part of the annual performance assessment.

Prior to appointment or being submitted for re-election, each non-executive director is required to specifically acknowledge that they have and will continue to have the time available to discharge their responsibilities.

Conflict of interests

Directors are required to avoid conflicts of interest and immediately inform the Board should a conflict of interest arise. Directors are also required to advise of any relevant interest that may result in a conflict. The Board has adopted use of formal standing notices in which directors disclose any material personal interests and the relationship of these interests to the affairs of the Group. A director is required to notify the Board of any material personal interest or if there is any change in the nature or extent of a previously disclosed interest.

Independent professional advice

Directors and Board committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense. Prior written approval of the Chair is required, but this will not be unreasonably withheld.

Induction and professional development for Directors

The Company has an informal process for induction of new directors and will provides opportunities for directors to develop and maintain skills and knowledge needed to perform their roles.

Principle 3: Act ethically and responsibly

Code of Conduct

The Company has developed a Code of Conduct (the **Code**) which has been fully endorsed by the Board and applies to all directors and employees. The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Group's integrity.

In summary, the Code requires that at all times all Company personnel act with the utmost integrity, objectivity and in compliance with the letter and the spirit of the law and Company policies.

Trading in Company Securities

The purchase and sale of Enverro securities by directors and employees is only permitted during the four week period following the annual general meeting, release of the half yearly and annual financial results to the market, except with written authority in accordance with the Securities Trading Policy. Any transactions undertaken must be notified to the Chair in advance.

The directors are satisfied that the Group has complied with its policies on ethical standards, including trading in securities.

Principle 4: Safeguard integrity in corporate reporting

Audit Committee

Due to the small size of the Board, being only three directors, the audit committee consists of the whole Board. The committee is chaired by the independent Chairman of the Board.

Details of the Board's qualifications and attendance at audit committee meetings are also set out in the directors' report in the Annual Report.

All members of the audit committee are financially literate and have an appropriate understanding of the industries in which the group operates.

The audit committee operates in accordance with a charter. The main responsibilities of the committee are to:

- review, assess and approve the annual full and concise reports, the half year financial report and all other financial information published by Enverro or released to the market;
- assist the board in reviewing the effectiveness of the organisation's internal control environment covering:
  - effectiveness and efficiency of operations;
  - reliability of financial reporting;
  - compliance with applicable laws and regulations;
- oversee the effective operation of the risk management framework;
- recommend to the board the appointment, removal and remuneration of the external auditors, and review the terms of their engagement, the scope and quality of the audit and assess performance;
- consider the independence and competence of the external auditor on an ongoing basis;
- review and approve the level of non-audit services provided by the external auditors and ensure it does not adversely impact on auditor independence;
- review and monitor related party transactions and assess their propriety; and
- report to the board on matters relevant to the committee's role and responsibilities.

In fulfilling its responsibilities, the audit committee:

- receive regular reports from management and the external auditors;
- meet with external auditors at least twice a year, or more frequently if necessary;
- review the processes the Managing Director/CEO and CFO have in place to support their certifications to the board; and
- review any significant disagreements between the auditors and management, irrespective of whether they have been resolved.

The audit committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

CEO and CFO declarations

Before approving the financial statements for a financial period the Managing Director/CEO and CFO are required to make the following certifications to the Board:

- Enverro's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of Enverro and Group and are in accordance with relevant accounting standards;
- the above statement is founded on a system of risk management and internal compliance and control which implements the policies adopted by the Board; and

the Group's risk management and internal compliance and control framework is operating efficiently and effectively in all material respects in relation to financial reporting risks.

External Auditors

Enverro policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs. Enverro's external auditor is disclosed in Enverro's Annual Report.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in the directors' report and in the notes to the financial statements contained in Enverro's Annual Report. The external auditors provide an annual declaration of their independence to the audit committee in accordance with the requirements of the Corporations Act.

The external auditor attends the annual general meeting to be available to answer Shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Principles 5 and 6: Make timely and balanced disclosure and respect the rights of Shareholders

Continuous disclosure and Shareholder communication

Enverro has policies and procedures on information disclosure that focus on continuous disclosure of any information concerning the Group that a reasonable person would expect to have a material effect on the price of Enverro's securities. These policies and procedures also include the arrangements Enverro has in place to promote communication with Shareholders and encourage effective participation at general meetings.

The Company Secretary has been nominated as the person responsible for communications with the ASX. The role includes responsibility for ensuring compliance with the continuous disclosure requirements in the Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, Shareholders, the media and the public.

All information disclosed to the ASX is posted on Enverro's website as soon as it is disclosed to the ASX. When analysts are briefed on aspects of the Group's operations, the material used in the presentation is released to the ASX and posted on Enverro's web site. Procedures have also been established for reviewing whether any price sensitive information has been inadvertently disclosed and, if so, this information is also immediately released to the market.

The Company encourages shareholders to attend shareholder meetings by providing adequate notice, a suitable location. In future further facilities for participation will be considered as the number of holders increases and facilities become more readily available. Enverro seeks to provide opportunities for Shareholders to participate through electronic means via Enverro's website and gives shareholders the option to communicate with its share registry electronically.

Principle 7: Recognise and manage risk

Risk assessment and management

The Board is responsible for satisfying itself annually, or more frequently as required, that management has developed and implemented a sound system of risk management and internal control. Detailed work on this task is delegated to the audit committee which consists of the full Board.

The Board's collective experience will enable accurate identification of the principal risks that may affect the Group's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

The Company does not have an internal audit function. The audit committee is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. They monitor Enverro's risk management by overseeing management's actions in the evaluation, management, monitoring and reporting of material operational, financial, compliance and strategic risks. In providing this oversight, the committee:

reviews the framework and methodology for risk identification, the degree of risk Enverro is willing to accept, the management of risk and the processes for auditing and evaluation Enverro's risk management system;

reviews group wide objectives in the context of the abovementioned categories of corporate risk;

reviews and, where necessary, approves guidelines and policies governing the identification, assessment and management of Enverro's exposure to risk;

reviews and approves the delegations of financial authorities and addresses any need to update these authorities on an annual basis, and

reviews compliance with agreed policies.

The committee recommends any actions it deems appropriate.

Responsibility for risk management and internal control is delegated to the appropriate level of management within the Group, with the Managing Director/CEO and CFO having ultimate responsibility to the Board for the risk management and internal control framework.

The Group has a Risk Management Policy to formally document the policies and procedures already in place to manage risk. The Board have reviewed the risk management framework during the reporting period.

The Company has exposure to economic risks as a result of dependence on its primary market sector participants to undertake relevant projects and adopt its workforce mobilisation product. This risk has been mitigated by reducing product development and marketing costs for the product pending further adoption. The Company has no material exposure to environmental and social sustainability risks.

Principle 8: Remunerate fairly and responsibly

Remuneration

Due to the small size of the Board, being three directors, nomination and remuneration matters are addressed by the Board. A set of guidelines has been established in this regard. The Board relies on comparisions to similar organisations to ensure that remuneration levels are appropriate.

Each member of the senior executive team signs a formal employment contract at the time of their appointment covering a range of matters including their duties, rights, responsibilities and any entitlements on termination. The standard contract refers to a specific formal job description. This job description is reviewed by the Board on an annual basis and, where necessary, is revised in consultation with the relevant employee.

Further information on directors' and executives' remuneration, including principles used to determine remuneration, is set out in the directors' report under the heading "Remuneration Report" in Enverro's Annual Report.

Non-executive directors do not receive options or bonus payments and are not provided with retirement benefits other than superannuation.

The Board also assumes responsibility for overseeing management succession planning, including the implementation of appropriate executive development programmes and ensuring adequate arrangements are in place, so that appropriate candidates are recruited for later promotion to senior positions.

Equity based remuneration scheme

The Group operates an Employee Incentive Plan and has a policy that participants are not permitted to enter into transactions which limit (whether though the use of derivatives or otherwise) the economic risk of participating in the plan.

Report on adoption of ASX Corporate Governance Recommendations

The Group has adopted the ASX Corporate Governance Recommendations (Third Edition), as outlined in the Corporate Governance Statement, with the following exceptions:

Council Recommendation 1.5: Listed companies should have a diversity policy and disclose the policy or a summary of that policy. The policy should include requirements for the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and progress in achieving them. At the end of each reporting period the company should disclose the measurable objectives set by the board and its progress toward achieving them and the respective proportions of men and women on the board, in senior executive positions and across the whole organisation.

The Board has established a policy concerning diversity. The board did not set measurable objectives for achieving gender diversity but expects to set these during the ensuing year. The proportion of men and women across the organisation is disclosed within the Corporate Governance Statement.

Council Recommendation 1.7

A listed entity should have and disclose a process for periodically evaluating the performance of its senior executives and disclose whether the performance review was undertaken during the reporting period

The Company has not developed a formal process for the review of senior executives and no formal review was conducted during the year as most were appointed during the year and it will be undertaken during the coming year.

Council Recommendation 2.2: The Board should have and disclose a skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

Due to the size of the Company and its Board as well as its short history as a listed entity, a formal board skills matrix has not yet been developed.

Council Recommendation 2.4: The majority of the Board should be independent directors.

The Board consists of only three directors and, due to its small size, does not have a majority of independent directors.

Council Recommendation 4.1: The Board should have an Audit Committee which has at least 3 members, all of whom are non-executive directors and a majority of whom are independent directors and is chaired by an independent director who is not the Chair of the Board.

The whole Board, due to its size, constitutes the role audit committee and consequently does not have a majority of independent directors and is not chaired by an independent director who is not the Chair of the Board.

Statement of profit or loss and other comprehensive income for the year ended 30 June 2015

	Note	2015 $	2014 $
Revenue from continuing operations			
Services income		946,281	875,254
Software licences and support		121,691	158,966
Interest income		43,491	117
	5	1,111,463	1,034,337
Other income	5	122,008	226,670
Expenses			
Auditing and accounting fees		158,101	69,429
Consulting fees		712,794	263,966
Depreciation and amortisation	6	127,222	78,210
Employee benefits expense		2,090,901	792,353
Finance costs		41,286	60,191
Impairment of Software development asset		1,079,798	-
Marketing		184,584	26,203
Other expenses		377,630	262,322
Recruitment		102,494	240
Restructuring costs		-	402,849
Travel expenses		83,470	129,925
Foreign Exchange gains and losses		(9,936)	-
Total expenses		4,948,344	2,085,688
Loss before income tax		(3,714,873)	(824,681)
Income tax	8	-	-
Loss for the year		(3,714,873)	(824,681)
Other comprehensive income for the year			
Exchange differences on conversion of foreign operation		(6,862)	-
Total comprehensive loss for the year		(3,721,735)	(824,681)

Earnings per share		Cents	Cents
Basic earnings per share	27	(51.8)	(1.2)
Diluted earnings per share	27	(51.8)	(1.2)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position
As at 30 June 2015

	Note	2015 $	2014 $
ASSETS			
Current assets			
Cash and cash equivalents	9	1,622,226	4,508
Trade and other receivables	10	200,650	143,694
Loans receivable		-	6,441
Other assets		6,988	-
Total Current Assets		1,829,864	154,643
Non-current assets			
Property, plant and equipment	11	29,934	38,450
Intangible assets	12	135,000	619,348
Total Non-Current Assets		164,934	657,798
Total assets		**1,994,798**	**812,441**
LIABILITIES			
Current liabilities			
Trade and other payables	13	458,395	356,094
Borrowings	14	9,992	640,262
Total Current Liabilities		468,387	996,356
Non-current liabilities			
Borrowings	15	17,508	25,378
Total Non-current Liabilities		17,508	25,378
Total liabilities		**485,895**	**1,021,734**
Net assets / (liabilities)		**1,508,903**	**(209,293)**
EQUITY			
Contributed equity	16	5,868,520	663,559
Reserves	17	228,108	-
Accumulated losses		(4,587,725)	(872,852)
Total equity		**1,508,903**	**(209,293)**

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity
For the year ended 30 June 2015

	Contributed equity $	Reserves $	Accumulated losses $	Foreign Currency Translation Reserve $	Total equity $
Balance at 1 July 2013	100,014	-	(48,171)	-	51,843
Loss for the year	-	-	(824,681)	-	(824,681)
Total comprehensive income for the year	-	-	(824,681)	-	(824,681)
Transactions with owners in their capacity as owners					
Issue of shares	660,000	-	-	-	660,000
Cost of share issues	(96,455)	-	-	-	(96,455)
Balance at 30 June 2014	663,559	-	(872,852)	-	(209,293)
Loss for the year	-	-	(3,714,873)		(3,714,873)
Other comprehensive income	-	-	-	(6,862)	(6,862)
Total comprehensive loss for the year	**-**	**-**	**(3,714,873)**	**(6,862)**	**(3,721,735)**
Transactions with owners in their capacity as owners					
Issue of shares for cash	6,000,000	-	-	-	6,000,000
Issue of shares under employee incentive plan	155,000	(155,000)			-
Cost of share issue	(627,066)	-	-	-	(627,066)
Share based payments expense on securities granted for:					
• capital raising fee	(322,973)	322,973	-	-	-
• employee services	-	66,997	-	-	66,997
	5,204,961	234,970	-	-	5,439,931
Balance at 30 June 2015	**5,868,520**	**234,970**	**(4,587,725)**	**(6,862)**	**1,508,903**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows
For the year ended 30 June 2015

	Note	2015 $	2014 $
Cash flows from operating activities			
Receipts from customers		1,112,421	1,092,773
Payments to suppliers and employees		(3,668,829)	(1,560,280)
Other revenue		122,008	226,671
Interest received		33,480	117
Interest and other costs of finance paid		(6,039)	(46,191)
Net cash (outflow) / inflow from operating activities	26	(2,406,959)	(286,910)
Cash flows from investing activities			
Payments for property plant and equipment		(4,627)	(1,679)
Payments for proprietary software development		(709,529)	(444,630)
Proceeds from repayment of loans receivable		-	(6,441)
Net cash (outflow) from investing activities		(714,156)	(452,750)
Cash flows from financing activities			
Proceeds from issue of shares		6,000,000	660,000
Share issue transaction costs		(627,066)	(89,289)
Proceeds from borrowings		-	225,001
Repayment of borrowings		(634,101)	(53,781)
Net cash inflow from financing activities		4,738,833	741,931
Net increase / (decrease) in cash and cash equivalents		1,617,718	2,271
Cash and cash equivalents at the beginning of the year		4,508	2,237
Cash and cash equivalents at the end of the year	9	1,622,226	4,508

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

Note 1: Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the Group.

a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001.* The Group is a for-profit entity for the purpose of preparing the financial statements. These general purpose financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

The financial statements were authorised for issue on 17 August 2015 by the board of Enverro Limited.

i) Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements of the Group comply with International Financial Reporting Standards (IFRS).

ii) Historical cost convention

These financial statements have been prepared under the historical cost convention.

b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all the subsidiaries of Enverro Ltd ("Company" or "parent entity") as at 30 June 2015 and the results of all subsidiaries for the year then ended. Enverro Ltd and its subsidiaries together are referred to in these financial statements as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of the subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of the subsidiaries are shown separately in the Consolidated Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Financial Position, respectively.

Note 1: Summary of significant accounting policies (continued)

c) Going Concern

Although the Group incurred a loss of $3,714,873 for the year, as well as incurring net cash outflows from operating activities of $2,406,959, the financial report has been prepared on the going concern basis as the directors are of the opinion that the Company has sufficient financial resources to fund its activities for the next twelve months. The financial position of the company is underpinned by:

i) Positive net asset of $1,508,903 at 30 June 2015
ii) the loss for the year included a non-cash impairment charge of $1,079,798
iii) the shut-down of USA operations to reduce cash outflows from the existing businesses
iv) plans to raise approximately $2,000,000 by the issue of new shares ahead of the acquisition of a new business as detailed in the Directors' report under Significant Changes in the State of Affairs.

d) Segment reporting

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources. Operating segments are determined on the basis of financial information reported to the Board which is at the Group level.

Accordingly, management currently identifies the Group as having only one reportable segment, being the sale of software and related support activities. There have been no changes in the operating segments during the year. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

e) Foreign currency translation

(i) Functional and presentation currency
Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

(ii) Transactions and balances
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of discounts, refunds, rebates and amounts collected on behalf of third parties. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable

Note 1: Summary of significant accounting policies (continued)

Revenue recognition (continued)

that the future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Revenue is recognised for the major business activities as follows:

(i) Sale of software and related support activities
Domestic and export sales of goods are recognised when the Group has delivered products or services to the purchaser and there is no unfulfilled obligation that could affect the purchasers acceptance of the products or service.

(ii) Interest
Interest income is recognised using the effective interest method.

g) Income Tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the national income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable, profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

h) Leases

Leases of property, plant and equipment, where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term liabilities. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the term of the lease.

Note 1: Summary of significant accounting policies (continued)

i) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

j) Cash and cash equivalents

For Statement of Cash Flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown in current liabilities on the Statement of Financial Position.

k) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss. When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

l) Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable the future economic benefits associated with the item will

Note 1: Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which it is incurred.

Depreciation is calculated using the diminishing value method to allocate the cost or revalued amounts, net of their residual values, over the estimated useful lives as follows:

- – Vehicles; 3-6 years
- – Office furniture and equipment; 1-3 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

m) Intangibles

Costs incurred in developing products or systems and costs incurred in acquiring software and licences that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service, employee costs and an appropriate portion of relevant overheads.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the group has an intention and ability to use the asset.

The group amortises intangible assets with a limited useful life using the straight-line method over the following periods: Capitalised software development costs; 6 years

n) Impairment of Assets

The Group assesses at the end of each reporting period whether there is objective evidence that an asset or group of assets is impaired. An asset, or a group of assets, is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the asset or group of assets that can be reliably estimated.

o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the year which are unpaid. The amounts are unsecured and are usually paid within 30 – 60 days of recognition. Amounts received in respect of subscriptions for software products or services are also included in trade and other payables until the product or service is delivered.

p) Borrowings

All loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the loans and borrowings using the effective interest method. Fees paid for establishing loan facilities are recognised as transaction costs if it is probable that some or all of the facility will be drawn down, and deferred until the draw down occurs. If it is not probable that the facility will be drawn down, fees are capitalised as prepayments for liquidity services and amortised over the period to which the facility relates.

Note 1: Summary of significant accounting policies (continued)

Borrowings (continued)

Borrowings are derecognised from the statement of financial position when the obligation specified in the contract has been discharged, cancelled or expires. The difference between the carrying amount of the borrowing derecognised and the consideration paid is recognised in profit or loss as other income or finance costs

Where the terms of a borrowing are renegotiated and the Group issues equity instruments to a creditor to extinguish all or part of a borrowing, the equity instruments issued as part of the debt for equity swap are measured at the fair value of the equity instruments issued, unless the fair value cannot be measured reliably, in which case, they are measured at the fair value of the debt extinguished. The difference between the carrying amount of the debt extinguished and the fair value of the equity instruments issued is recognised as a gain or loss in profit or loss.

All borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

q) Employee benefits

(i) Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits and annual leave after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expect future wage and salary levels, experience of employee departures and years of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

r) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

s) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the financial year but not distributed at reporting date.

t) Earnings per share

(i) Basic earnings per share
Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares

by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Note 1: Summary of significant accounting policies (continued)

Earnings per share (continued)

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

u) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. Where the GST is not recoverable from the taxation authority it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

v) New accounting standards and interpretations

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretation did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)
The consolidated entity has applied Parts A to C of AASB 2014-1 from 1 July 2014. These amendments affect the following standards: AASB 2 'Share-based Payment': clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition'; AASB 3 'Business Combinations': clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of AASB 9; AASB 8 'Operating Segments': amended to require disclosures of judgements made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker; AASB 13 'Fair Value Measurement': clarifies that the portfolio exemption applies to the valuation of contracts within the scope of AASB 9 and AASB 139; AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets': clarifies that on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion
to the change in the gross carrying value of the asset; AASB 124 'Related Party Disclosures': extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosure of the fees paid to the management entity; AASB

Note 1: Summary of significant accounting policies (continued)

New accounting standards and interpretations (continued)

140 'Investment Property': clarifies that the acquisition of an investment property may constitute a business combination.

Note 2: Financial risk management

(a) General Objectives, Policies and Processes

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The principal financial instruments from which financial instrument risk arises are:

Financial Assets
- Cash and cash equivalents
- Trade and other receivables
- Unsecured loans

Financial Liabilities
- Trade and other payables
- Borrowings

The Board has overall responsibility for the determination of the Group's risk management objectives and policies.

The Group's activities expose it to a variety of financial risks: market risk (interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and price risks and aging analysis for credit risk.

Risk management is carried out under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas, such as, interest rate risk, credit risk and investment of excess liquidity.

(b) Market risk

Market risk arises from the use of interest bearing financial instruments. It is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates

(interest rate risk). Bank deposits are the only financial asset that is subject to interest rate risk. Interest rates are currently between 2.05% and 3.34% (2013: Unsecured loan – no fixed interest rate). The unsecured loan, being a limited recourse loan to a related party for the acquisition of shares in the Company, does not bear interest.

There are currently no financial liabilities of the Group that are subject to interest rate risk. (2013: Bank overdraft 8.6%, unsecured loan 7% and convertible 10%).

Note 2: Financial risk management (continued)

(c) Credit risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. The maximum exposure to credit risk at reporting date is the balances recognised in cash and trade and other receivables. Cash is deposited with major banks in Australia and USA. Trade and other receivables are closely monitored and in most cases services are invoiced in advance or progressively, which limits the chance of financial loss.

(d) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The objective of managing liquidity risk is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when they fall due.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through access to debt or equity funding sources. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Maturities of financial liabilities
The table below analyses the Group's financial liabilities into relevant maturity groupings based on the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

2015	$	$	$	$
	0 to 6 months	6 to 12 months	Greater than 12 months	Carrying Amount
Trade and other payables	405,778	-	-	405,778
Borrowings	2,893	3,112	17,508	23,513
	408,671	3,112	17,508	429,291
2014				
Trade and other payables	319,917	-	-	319,917
Borrowings	270,261	370,001	25,378	665,640
	565,575	370,001	25,378	985,557

(e) Fair value

The carrying value of cash and cash equivalents, receivables, payables and current borrowings are assumed to approximate their fair values due to their short-term nature. The fair value of non-current borrowings approximates the carrying amount as the impact of discounting is not significant.

Note 3: Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Note 3: Critical accounting estimates and judgements (continued)

(a) Estimated impairment of Intangible software development costs

The value of the intangible asset; software development costs, has been reduced by $1,079,798 to $135,000 based on a net present value calculation assuming net income from existing licences for the product remain constant over the next three years and applying a 16% discount factor.

(b) Income tax

Deferred tax assets have not been recognised in the Statement of Financial Position as the recovery of these benefits through the generation of taxable profits is uncertain. If the Company generates sufficient taxable income within the next financial year to warrant recognition of the deferred tax assets of $3,006,378 it will represent a material adjustment to the carrying value of that asset.

Note 4: Segment information

(a) Description of segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources. Operating segments are determined on the basis of financial information reported to the Board.

Accordingly, management currently identifies the Group as having only one reportable segment, being the sale of software and related support activities. There have been no changes in the operating segments during the year. All significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

(b) Geographical information

All of the Group's sales to external customers and non-current assets, exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits are located in Australia.

Note 5: Revenue

	2015 $	2014 $
From continuing operations		
Sales revenue		
Revenue from sale of software and related support activities	1,067,972	1,034,220
Interest income	43,491	117
	1,111,463	1,034,337
Other revenue		
Research and development grant	122,008	149,534
Sale of domain name	-	77,136
Total revenue from operations	**1,233,471**	**1,261,007**

Note 6: Expenses

	2015 $	2014 $
Profit/(loss) before income tax includes the following specific expenses:		
Depreciation		
Vehicles	7,771	10,340
Office furniture and equipment	5,372	2,744
Amortisation		
Proprietary software	114,079	65,126
Total depreciation and amortisation	127,222	78,210
Finance Costs		
Interest and finance charges paid/payable	41,286	46,191
Rental expenses relating to operating leases		
Minimum lease payments	21,000	60,596
Superannuation contribution expense	137,330	62,856

Note 7: Share-based payments

(a) Options granted as part of an equity raising fee

The grant of share options as part of a fee in respect of a share issue has been recognised during the year as a cost of the share issue and in equity as a Share-based payments reserve. The net effect on equity is nil.

On 18 July 2014 the Company issued 40,000,000 options, exercisable at $0.025 at any time on or before 18 July 2019, for no cash consideration as part of a fee arrangement in respect of the issue of shares. The options were subsequently consolidated to 1,200,004 options exercisable at $0.84.

The fair value of the options has been measured using the Black - Scholes model with the following inputs to the model;

- Weighted average share price (post share and option consolidation) $0.84
- Exercise price $0.84
- Expected volatility 37.5%
- Option life 5 years
- Expected dividends Nil
- Risk-free interest rate 2.9%
- An assumption was made in respect of expected early exercise using 3.7 years as the time of exercise.

The Company was not listed and no shares had been traded prior to the raising, given the small capitalisation and intention for the Company to embark on marketing a new software product, a volatility factor of 37.5% was used for the fair-value model. The options vested immediately upon grant and there were no other features of the options used in the model to determine fair value. The fair value was measured as $0.269 per option, a total of $322,973.

Note 7: Share-based payments (continued)

(b) Share based payments to employees

On 13 October 2014 the Company issued 136,500 options to the Chief Operating Officer, for no cash consideration, exercisable at $1.00, expiring on 13 October 2019 and vesting in three tranches subject to employment continuity;

- 40,950 options one year from date of grant subject to the weighted average share price being at least $1.25
- 40,950 options two years from date of grant subject to the weighted average share price being at least $1.50
- 54,600 options three years from date of grant subject to the weighted average share price being at least $1.75

The fair value of the options has been measured using the Black - Scholes model with the following inputs to the model;

- Weighted average share price — $0.85
- Exercise price — $1.00
- Expected volatility — 35%
- Option life — 5 years
- Expected dividends — Nil
- Risk-free interest rate — 2.76%
- Assumptions made in respect of expected early exercise were that the three tranches would be exercised thirty six, forty two and forty eight months after grant, respectively.

The Company was not listed and no shares had been traded prior to the grant. Given the small capitalisation and intention for the Company to embark on marketing a new software product, a volatility factor of 35% was used for the fair-value model. There were no other features of the options used in the model to determine fair value. The fair values for the three tranches were measured as $0.136, $0.129 and $0.123 per option respectively, a total of $17,571.

On 10 November 2014 the Company issued 205,500 options to the five employees, for no cash consideration, exercisable at $1.00, expiring on 10 November 2019 and vesting in three tranches subject to employment continuity;

- 61,650 options one year from date of grant subject to the weighted average share price being at least $1.25
- 61,650 options two years from date of grant subject to the weighted average share price being at least $1.50
- 82,200 options three years from date of grant subject to the weighted average share price being at least $1.75

The fair value of the options has been measured using the Black - Scholes model with the following inputs to the model;

- Weighted average share price — $0.85
- Exercise price — $1.00
- Expected volatility — 35%
- Option life — 5 years
- Expected dividends — Nil
- Risk-free interest rate — 2.76%
- Assumptions made in respect of expected early exercise were that the three tranches would be exercised thirty six, forty two and forty eight months after grant, respectively.

The Company was not listed and no shares had been traded prior to the grant. Given the small capitalisation and intention for the Company to embark on marketing a new software product, a volatility factor of 35% was used for the fair-value model. There were no other features of the options used in the model to determine fair value. The fair values for the three tranches were measured as $0.121, $0.119 and $0.115 per option respectively, a total of $24,228.

Note 7: Share-based payments (continued)

On 11 November 2014, pursuant to shareholder approval, the Company advanced $155,000 to Director and CEO Leigh Kelson to acquire 155,000 shares in the Company. The advance is for seven years, or less if the CEO ceases employment with the Company. It is interest free and recourse is limited to the amount which the Company may recover by selling the shares and any share benefits or, in the absolute discretion of the Company, exercising its rights to have the shares and any share benefits forfeited.

Consequently the arrangement has been treated as a share based payment. Fair value of the share based payment has been measured using the Black - Scholes model with the following inputs to the model;

• Weighted average share price	$0.84
• Exercise price	$1.00
• Expected volatility	37.5%
• Option life	7 years
• Expected dividends	Nil
• Risk-free interest rate	3%

The Company was not listed and no shares had been traded prior to the advance and issue of the shares. Given the small capitalisation and intention for the Company to embark on marketing a new software product, a volatility factor of 37.5% was used for the fair-value model. There were no other features of the options used in the model to determine fair value. The fair value was measured as $0.329 per security, a total of $50,939.

2014: Nil

Note 8: Income tax

	2015 $	2014 $
Tax losses available for subsequent financial years	3,006,378	474,738

The Company has incurred tax losses and has no tax liability for the financial year (2014 – nil). Deferred tax assets have not been recognised in the Statement of Financial Position as the recovery of these benefits is uncertain.

Note 9: Current assets – Cash and cash equivalents

	2015 $	2014 $
Cash at bank	280,389	48
Term deposits	1,337,377	-
Bond	4,460	4,460
Cash at bank and in hand	**1,622,226**	**4,508**

Cash at bank and in hand earn no interest (2014: nil). Deposits earn between 2.05% and 3.34%.

Note 10: Current assets – Trade and other receivables

	2015 $	2014 $
Trade debtors	203,504	143,694
Less provision for doubtful debts	(12,864)	-
Interest receivable	10,010	
	200,650	**143,694**

Note 11: Non-current assets – Property, plant and equipment

	Vehicles $	Office furniture & equipment $	Total $
Year ended 30 June 2015			
Opening net book amount	35,966	2,484	38,450
Additions	-	4,627	4,627
Depreciation expense	(7,771)	(5,372)	(13,143)
Closing net book amount	**28,195**	**1,739**	**29,934**
At 30 June 2015			
Cost	117,027	17,476	134,503
Accumulated depreciation	(88,832)	(15,737)	(104,569)
Net Book amount	**28,195**	**1,739**	**29,934**

	Vehicles $	**Office furniture & equipment** $	**Total** $
Year ended 30 June 2014			
Opening net book amount	46,306	3,548	49,854
Additions	-	1,679	1,679
Depreciation expense	(10,340)	(2,743)	(13,083)
Closing net book amount	35,966	2,484	38,450
At 30 June 2014			
Cost	117,027	12,849	129,876
Accumulated depreciation	(81,061)	(10,365)	(91,426)
Net Book amount	35,966	2,484	38,450

Note 12: Non-current assets – Intangible assets

On 19 May 2015 the Company announced to the ASX that, due to difficult market conditions in the primary target market sectors for the Enverro workforce management cloud-based platform product, it would contract operations in respect of that product. The USA based product development and sales operation ceased and responsibility for servicing existing customers was assumed by its Australian based professional services business. The contraction was undertaken to reduce expenditure on development and marketing of the product.

As a result of those circumstances the Company assessed the carrying value of the intangible development costs of the product using a value-in-use calculation assuming that net revenue from licences for the product would continue for three years and applying a discount factor of 16% to the cashflow. The result of the assessment was an impairment charge of $1,079,798 which reduced the carrying value of the software to $135,000.

	Proprietary software $
Year ended 30 June 2015	
Opening net book amount	619,348
Additions	709,529
Impairment	(1,079,798)
Amortisation	(114,079)
Closing net book amount	135,000
At 30 June 2015	
Cost	314,205
Accumulated amortisation	(179,205)
Net Book amount	135,000
Year ended 30 June 2014	
Opening net book amount	390,760
Additions	444,629
Amortisation	(150,915)
Closing net book amount	(65,126)
	619,348
At 30 June 2014	
Cost	684,474
Accumulated amortisation	(65,126)
Net Book amount	619,348

Note 13: Current liabilities – Trade and other payables

	2015 $	2014 $
Trade payables	122,824	151,915
Other payables and accruals	113,193	100,045
Payment received for services not yet delivered.	165,775	67,957
Employee benefits	56,603	36,177
	458,395	**356,094**

Note 14: Current liabilities – Borrowings

	2015 $	2014 $
Bank overdraft and credit cards	3,987	227,943
Convertible notes	-	200,001
Unsecured loans	-	195,000
Lease liabilities	6,005	17,318
	9,992	**640,262**

Note 15: Non-Current liabilities – Borrowings

	2015 $	2014 $
Lease liabilities	17,508	25,378
	17,508	**25,378**

Note 16: Contributed equity

	2015 Shares	2014 Shares	2015 $	2014 $
(a) Share capital				
Ordinary shares fully paid	9,004,456	81,650,000	5,868,520	663,559

(b) Movements in ordinary share capital

Date	Details	Number of shares	Issue price	$
1 July 2013	Opening balance	53,083,334		
12 Sept 2013 - 4 March 2014	Share issues	28,566,666	0.77	660,000
	Share issue costs	-		(96,455)
30 June 2014	Balance	81,650,000	-	663,559
1 July 2014	Opening balance	81,650,000		663,559
18 July 2014	Share issue	80,000,000	0.833	2,000,000
26 Sept 2014	Share consolidation [1]	(156,800,454)	-	-
9 Nov. 2014	Incentive plan issue	155,000	1.00	155,000
28 Nov. 2014	IPO issue	4,000,000	1.00	4,000,000
	Share issue costs	-		(950,039)
30 June 2015	Balance	**9,004,546**		**5,868,520**

[1] The 161,650,000 shares on issue at 26 September 2014 were consolidated on the basis of 33.33 existing shares for 1 share, resulting in the decrease of 156,800,454 shares

Note 16 Contributed equity (continued)

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(d) Shares in escrow

There were 1,492,695 shares in escrow at 30 June 2015 (2014: Nil).

(e) Options

There were 1,395,504 shares under option as at 30 June 2015 (2014 – nil).

(f) Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Note 17: Reserves

	2015 $	2014 $
Share-based payments reserve		
Balance at the beginning of the year	-	-
Movement during the year	234,970	-
Balance at the end of the year	**234,970**	**-**
Foreign Currency Translation Reserve		
Balance at the beginning of the year	-	-
Movement during the year	(6,862)	-
Balance at the end of the year	**(6,862)**	**-**
Total reserves	**228,108**	**-**

The share-based payments reserve is used to recognise the expense of the fair value at grant date of options granted to employees but not exercised and to recognise the fair value of shares issued to an employee under a limited recourse loan which is not yet due to be repaid.

Note 18: Key management personnel disclosures

	2015 $	2014 Restated* $
(a) Key management personnel compensation		
Short term employee benefits*	636,320	297,541
Post-employment benefits*	41,328	20,419
Other benefits*	22,450	67,866
Share based payments*	60,100	-
	760,108	**385,826**

* The prior year balances excluded two directors that were deemed to be Key Management Personnel. The balances above have been restated to include these directors. The restatement has no impact on the Company's Statement of Comprehensive Income or Statement of Financial Position.

(b) Equity instrument disclosures relating to key management personnel

The number of shares and options in the Company held during the financial year by each Director of the Company and other Key Management Personnel of the Group, including their associates, are set out below. There were no shares issued during the year as compensation.

2015		Balance at the start of the year **	Options Granted as compensation and shares issued under incentive plan	Received during the year on exercise of options	Other changes during the year	Balance at the end of the year
Directors of Enverro Ltd						
A Harris	Shares	-	-	-	2,000	2,000
	Options	-	-	-	-	-
J Nicholson *	Shares	536,863	-	-	-	536,863
	Options	-	-	-	-	
L Kelson	Shares	853,129	155,000	-	-	1,008,129
	Options	-	-	-	-	
C Doran	Shares	-	-	-	2,000	2,000
	Options	-	136,500	-	-	136,500
Other Key Management Personnel						
G Edwards	Shares	-	-	-	4,000	4,000
	Options	-	39,000	-	-	39,000

* Resigned 3 September 2014
**Numbers have been adjusted to reflect the consolidation of shares which took place on 10 November 2014 on a 1:33.33 basis.

Note 18 Key management personnel disclosures (continued)

(c) Loans to key management personnel

Details of loans made to Key management Personnel of the Group, including their personally related parties are set out below.

Name	Balance at the start of the year	Amount advanced during the year	Interest paid and payable for the year	Amount written off	Balance at the end of the year	Highest indebtedness during the year
2015 L Kelson	-	155,000	-	-	155,000	155,000
2014 L Kelson	250,057	-	-	(251,934)	-	251,934

The 2015 loan was provided under the employee incentive plan for L Kelson to acquire 155,000 shares in the company

(d) Other transactions with key management personnel

No other transactions occurred between Key management personnel and their related entities with the Group during the year (2014: Nil).

Note 19: Remuneration of auditors

	2015 $	2014 $
i) Audit services		
Moore Stephens Sydney		
Audit and review of financial reports	40,110	10,000
ii) Non-assurance services provided by a related practice of the auditor:		
Taxation services	32,900	-
Financial due diligence	29,308	-
	102,318	**10,000**

Note 20: Commitments

(a) Capital commitments

The Group had no commitments in relation to capital expenditure contracted for at the reporting date but not recognised as liabilities (2014 – nil).

Note 21: Related party transactions

(a) Key management personnel

For details of transactions that key management personnel and their related entities had with the Group during the year refer note 18.

Note 22: Parent entity disclosures

The Company became a parent entity in August 2014 with the incorporation of three wholly owned subsidiaries. As at, and throughout, the financial year ended 30 June 2015 the parent entity of the Group was Enverro Ltd. The following information relates to the parent entity and has been prepared using accounting policies that are consistent with those presented in Note 1.

a) Summary financial information

	2015 $	2014 $
Result of parent entity		
Loss for the year after tax	(2,642,997)	(824,681)
Other comprehensive income	3,074	-
Total comprehensive loss for the year	**(2,639,923)**	**(824,681)**
Financial position of parent entity at year end		
Current assets	1,821,349	154,643
Non-current assets	164,934	657,798
Total assets	**1,986,283**	**812,441**
Current liabilities	454,584	996,356
Non-current liabilities	17,508	
Total liabilities	**472,092**	**1,021,734**
Net assets / (liabilities)	**1,514,191**	**(209,293)**
Contributed equity	5,868,520	663,559
Reserve	234,970	
Accumulated (losses)	(4,589,299)	(872,852)
Total equity	**1,514,191**	**209,293**

b) Guarantees entered into by the parent entity

The parent entity has not entered into any guarantees in respect of its subsidiaries.

c) Contingent liabilities

The parent entity has no contingent liabilities

d) Contractual commitments for the acquisition of property, plant and equipment

Nil

Note 23: Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b).

Name of entity	Country of incorporation	Class of shares	Equity holding 2015 %	Equity holding 2014 %
Enverro Asia Pacific Pty Ltd (incorporated 18 August 2014)	Australia	Ordinary	100	-
PRM Cloud solutions Pty Ltd (incorporated 18 August 2014)	Australia	Ordinary	100	-
Enverro Inc (incorporated 11 August 2014)	U.S.A	Common	100	-

Note 24: Events occurring after the reporting period

On 15 August 2015 the Company announced that it would undertake a capital raising of up to $2,500,000 by the issue of up to 6,250,000 fully paid ordinary shares at an issue price of $0.40 per share via a prospectus. The issue is not underwritten and the minimum subscription is $2,000,000 (5,000,000 shares).

There are no other matters or circumstances, other than those disclosed within the financial statements, which have arisen since 30 June 2015 that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

Note 25: Contingent liabilities

There were no contingent liabilities for the Group as at 30 June 2015 (2014: no contingent liability).

Note 26: Reconciliation of (loss) after income tax to net cash outflow from operating activities

	2015 $	2014 $
Profit/(loss) for the year	(3,714,873)	(824,681)
Adjustments for:		
Depreciation and amortisation	127,222	78,210
Impairment of intangible asset	1,079,798	-
Share based payments	67,324	-
Non-cash restructuring costs	-	400,972
Foreign exchange differences	(9,936)	-
Net non-cash operating expenses	(1,292)	
Change in operating assets and liabilities:		
(Increase) in trade and other receivables	(50,515)	(9,404)
Decrease / (increase) in loans and other assets	(6,988)	-
Increase in trade and other payables	102,301	31,816
(Decrease) / Increase in other provisions	-	36,177
Net cash (outflows) from operating activities	(2,406,959)	(286,910)

Note 27: Earnings per share

	2015 Cents	2014 Cents
Basic earnings / (loss) per share	(51.8)	(1.2)
Diluted earnings / (loss) per share	(51.8)	(1.2)
	$	$
Net loss for the year attributable to owners used to calculate loss per share – basic and diluted	(3,714,873)	(824,681)

Note 27 Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares outstanding during the year used to calculate basic loss per share	7,175,339	68,792,557

Diluted earnings per share are the same as basic earnings per share because the options on issue are anti-dilutive.

Directors' declaration

In the opinion of the directors:

(a) The attached financial statements and notes set out on pages 23 to 49 are in accordance with the *Corporations Act 2001*, including:

- i) Giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- ii) Complying with Accounting Standards, *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- iii) Complying with International Financial Reporting Standards as disclosed in Note 1(a); and

(b) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and

The Directors have been given the declarations by the Chief Executive Office and Chief Financial Officer required by Section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

Leigh Kelson
Managing Director
Biggera Waters
17 August 2015

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Independent Auditor's Report
To the Members of Enverro Limited
A.B.N. 82 009 027 178

Report on the Financial Report

We have audited the accompanying financial report of Enverro Limited ("Enverro" or "the Company") and its Controlled Entities ("the consolidated entity"), which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of Enverro Limited are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state that, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

MOORE STEPHENS

Auditor's Opinion

In our opinion:

a) the financial report of Enverro Limited and its Controlled entities is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter

We draw your attention to Note 1c of the financial statements, which indicates that the Group incurred a net loss of $3,714,873 during the year ended 30 June 2015 and describes the uncertainty surrounding the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 12 of the directors' report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the remuneration report of Enverro Limited and its Controlled entities for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

Moore Stephens Sydney

Moore Stephens Sydney

SWhiddett

Scott Whiddett
Partner

Dated in Sydney, this 17th day of August 2015.

Shareholder information

Information required by Australian Securities Exchange Limited and not shown elsewhere in this report is as follows:-

STATEMENT OF QUOTED SECURITIES AS AT 14 July 2015

(a) Distribution of equity securities

Analysis of number of equity security holders by size of holding:

Size of holding	Number of Shareholders
100,001 and Over	21
10,001 - 100,000	51
5,001 - 10,000	14
1,001 - 5,000	181
1 - 1,000	-
Total	267

There were no holders of less than a marketable parcel of ordinary shares.

(b) Quoted Equity security holders

Twenty largest quoted equity security holders

Name	Quoted ordinary shares held	Percentage of issued shares
Caren Gollan <Lecarlia account>	1,008,129	11.2
Citicorp Nominees Pty Limited	903,200	10.0
Ryder Capital Pty Ltd	700,000	7.8
Goode Nicholson Pty Ltd	536,863	6.0
UBS Nominees Pty Ltd	303,800	3.4
Pan Pacific Nominees Pty Limited	169,000	1.9
Wayne John Kelson	346,811	3.9
Bannaby Investments Pty Ltd	300,001	3.3
Thirty-Fifth Celebration Pty Ltd	270,001	3.0
IFM Pty Limited <IFM Super fund A/C>	253,000	2.8
HSBC Custody Nominees (Australia) Limited - A/C 2	249,000	2.8
Gregorach Pty Ltd	200,000	2.2
Pritdown Pty Ltd <McDonald Super fund A/C>	200,000	2.2
Wadham Nominees Pty Ltd	190,000	2.1
Pacific Development Capital Pty Limited	157,000	1.7
Cashare Pty Ltd	120,002	1.3
Fordholm Consultants Pty Ltd	120,001	1.3
Hinona Pty Ltd	120,001	1.3
Ramtex Pty Ltd	120,000	1.3
Dixtru Pty Limited	117,987	1.3
	6,384,796	70.9

Shareholder information (Continued)

(c) Substantial holders

Substantial holders in the Company are set out below:

Ordinary Shares	Number Held	Percentage
Caren Gollan as trustee for Lecarlia Trust	1,008,129	11.2%
Ryder Capital Pty Ltd	700,000	7.8%
Deutsche Bank Group	605,000	6.7%
Goode Nicholson Pty Ltd	536,863	6.0%
	2,849,992	**31.7%**

(d) Voting rights

The voting rights attaching to each class of equity securities are set out below.

(i) Ordinary Shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share will have on vote

OTHER INFORMATION

In accordance with ASX listing rule 4.10.19; the Company advises that it has used the cash, and assets in a form readily converted into cash, that it had at the time of admission to ASX on 5 December 2014, in a way consistent with its business objectives.

Corporate Directory

Board of Directors
Anthony Harris, Non-executive Chairman
Leigh Kelson, Managing Director and Chief Executive Officer
Christopher Doran, Chief Operating Officer

Company Secretary
Garry Edwards

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www.prmcloud.com

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Share Registry
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